

APPENDIX B

POLICY COMPLIANCE REVIEW CONSIDERATIONS

All decision documents will receive a policy compliance review. Policy compliance review involves consideration of the development and application of decision factors and assumptions that are used to determine the extent and nature of Federal interest, project cost sharing and cooperation requirements, and related issues. Policy compliance review ensures that there is uniform application of clearly established policy and procedures nationwide and identifies policy issues that must be resolved in the absence of clearly established criteria, guidance, regulations, laws, codes, principles and procedures or where judgement plays a substantial role. Policy compliance also ensures that the proposed action is consistent with the overall goals and objectives of the Civil Works program. Items that will be considered during this review include the following:

1. Formulation.

- (a) Will alternatives function safely, reliably, and efficiently, and are they engineeringly sound?
- (b) What is the without-project condition and what are the assumptions upon which it is based?
- (c) Are the key assumptions underlying the predicted with-project conditions documented and justified as the most likely parameters?
- (d) What alternatives, including different performance levels, have been considered?
- (e) What is the rationale for screening out the alternatives that were not selected for implementation?
- (f) What beneficial and adverse effects have been evaluated for the alternative plans that are studied in detail?
- (g) Does risk and/or uncertainty inherent in the data or in the various assumptions of future economic, demographic, social, and environmental trends, have a significant effect on plan formulation?
- (h) What are the assumptions regarding future conditions associated with the alternatives?
- (i) What coordination has occurred with State, local, and Federal agencies, and how have their views been considered in formulating the recommended plan?

2. Plan Selection.

- (a) Is the selected plan the NED (or most cost effective) plan?
- (b) If a departure from the NED (or most cost effective) plan is being recommended, what is the rationale to support the recommended departure?
- (c) How do the benefits and costs of the NED (or most cost effective) plan compare to other candidate plans?
- (d) Are there any international implications of the project, and if so, how have they been addressed?
- (e) Are there any legal or institutional obstacles to project implementation, and if so, how have they been addressed?
- (f) Does the Federal Power Agency indicate the marketability of the power produced based on the selected plan?

3. Economic Feasibility.

- (a) What discount rate, price level, and amortization period were used to determine annual benefits and costs?
- (b) What procedures were used to evaluate NED benefits?
- (c) What are the bases for the economic projections?
- (d) What separable features have been incrementally economically evaluated, and what are the separable B/C ratios?
- (e) Have all anticipated project outputs, monetary and non-monetary, positive and negative, been included in the economic evaluation? If not, what outputs were omitted and why?
- (f) What is the B/C ratio of the project and separable elements based on existing benefits?
- (g) What contingency allowances were used for major cost items and what is the basis for them?

(h) What engineering and design, and supervision and administration charges were included in the estimate, and what is the basis for them?

(i) What items are included in annual OMRR&R costs, and how were they developed?

(j) Was interest during construction documented?

4. Environmental Evaluation.

(a) What studies and coordination were conducted in accordance with National Environmental Policy Act of 1969 (NEPA) and other applicable environmental laws?

(b) What studies were conducted to determine if there are potential or actual contaminated lands (hazardous and toxic wastes, pollutants, etc.) included in the land requirements?

(c) What preservation, conservation, historical, and scientific agencies and interests were consulted, what were their views, and how were their views considered during plan formulation?

(d) What incremental analysis was performed to determine the scope of the fish and wildlife mitigation plan?

5. Environmental Design Considerations.

(a) Is the project designed to be in concert with the environment and the sponsor and public views concerning the environment?

(b) Overall, is this project environmentally sound? To what degree does this project add or detract from the environment?

6. Engineering Appendix.

(a) Is there an engineering appendix to the feasibility report or similar section in other decision documents in accordance with ER 1110-2-1150?

(b) Does the report document that the cost estimate will remain relatively stable based on the engineering effort contained in the engineering appendix?

(c) Does the report document the design with clear references and assumptions?

(d) Has design criteria for the project been established and does it include functional requirements, local sponsor requirements, technical design, and environmental engineering considerations?

(e) If appropriate, has the U.S. Coast Guard been contacted to determine requirements for permits for any structures to be constructed or relocated over a navigable waterway?

(f) If no DM is to be prepared, does the engineering appendix provide a comprehensive discussion and complete documentation of the completed design?

7. Hydrology and Hydraulics.

(a) Is the analysis based on current hydraulic, hydrologic, and climatic data?

(b) Does the report provide the hydraulic and hydrologic studies necessary to establish channel capacities, structure configurations, interior flood control requirements, residual or induced flooding, etc.?

(c) Have required physical and numerical modeling, including ship-simulation investigations, been performed in accordance with current guidance? If numeric modeling or other studies required by regulation are not to be performed, is the rationale for omitting these efforts documented and has the appropriate approval been obtained?

8. Surveying and Mapping.

(a) Does the report provide topographic maps to support the level of detail required to eliminate possibility of large quantity errors?

(b) Has suitable site-specific mapping been accomplished during PED?

(c) Has the report met the requirements listed in the table of required actions in ER 1110-1-8156 (Policies, Guidance, and Requirements for Geospatial Data and Systems) ?

9. Geotechnical.

(a) Does the report document that a site investigation, subsurface explorations, testing and analysis been accomplished and present geotechnical information to support the type of project, foundation design, structural components and availability of construction materials?

(b) Does the report address any special construction features or procedures (dewatering, stage construction, etc.) and are they included in the estimate?

(c) Does the report provide the level of design necessary to document the cost estimate?

10. Structural Design.

(a) Does the report clearly present the results of alternatives needed to support the selected project site, configuration, and features, including main structures and major appurtenances?

(b) Does the report document the comparison of alternatives in sufficient detail to establish a realistic comparison of costs?

(c) Have appropriate additional studies or tests planned for later phases of the design been identified?

11. Hazardous, Toxic, and Radioactive Waste.

(a) Have HTRW areas been identified and the project designed to avoid HTRW?

(b) If HTRW cannot be avoided, have investigations been conducted by an approved HTRW design district to establish the type and extent of HTRW contamination and the impact and cost of needed response action?

12. Construction Materials and Procedures.

(a) Have potential sources and suitability of construction material for concrete, earth and rock borrow, stone slope protection; and for disposal sites been identified?

(b) Have preliminary construction procedures, construction sequence and duration, and a water control plan for each step of the proposed plan, been developed?

(c) Have construction equipment and production rates been determined for major items, in support of the work schedule and cost estimate?

13. Operation, Maintenance, Repair, Replacement, and Rehabilitation (OMRR&R).

(a) Has an OMRR&R plan been developed for the project, and does it include detailed estimates of the Federal and non-Federal costs?

(b) Are budgets and schedules for the preparation of the necessary OMRR&R manuals included?

(c) Does the report include a discussion of primary and emergency power supplies based on local availability and reliable sources?

14. Cost Estimate and Schedule.

(a) Has the current working estimate supporting the NED plan been prepared using MCACES software and is it in Civil Works Breakdown Structure?

(b) Is the baseline estimate the fully funded project cost estimate and is it developed for the recommended scope and schedule established in the report?

(c) Does the estimate include all Federal and non-Federal costs for lands and damages, all construction features, planning, engineering and design and supervision and administration along with the appropriate contingencies and inflation associated with each of these activities through project completion?

(d) Do the contingencies reflect the risks related to the uncertainties or unanticipated conditions identified by the data and design detail available at the time the estimate was prepared?

(e) Is the final product a reliable, accurate cost estimate that defines the local sponsors obligations and supports project authorization within the established laws and regulations?

15. Value Engineering (VE).

(a) For projects with estimated cost of \$2,000,000 or greater, has a Value Engineering Study been completed or is there a cost estimate and schedule for the study?

(b) If the district determines a VE study is not cost effective, has a formal waiver request been approved by the division commander, and has a copy of the approved waiver been forwarded to CEMP-EV?

16. Real Estate.

(a) Does the decision document contain a comprehensive Real Estate Plan (REP) that describes the real estate requirements needed to support all project purposes?

(b) Does the report provide a complete real estate cost estimate?

(c) Does the report document the thorough investigation of facility/utility relocations?

(d) Does the report provide the “Assessment of Non-Federal Sponsor’s Real Estate Acquisition Capability” checklist of the Non-Federal Sponsor’s legal and professional capability to acquire and provide all project lands, easements and rights-of-way in a timely fashion?

(e) Does the report provide a suitable acquisition and related real estate schedule?

17. Cost Sharing and Local Cooperation Requirements.

(a) What project purposes are addressed by the selected plan and how have costs been allocated to them?

(b) If recreation or fish and wildlife enhancement are included in multiple-purpose projects, has the appropriate letter of intent from the non-Federal sponsor been obtained in accordance with Public Law 89-72?

(c) What documentation is available to assure that local interests fully understand and are willing and capable of furnishing the local cooperation specified?

(d) How was the apportionment of cost to local interests calculated?

(e) Who are the beneficiaries of the project and are there special circumstances associated with the project that warrant consideration of increased non-Federal cost sharing?

(f) If the non-Federal sponsor is relying on non-guaranteed debt (e.g. a particular revenue source or limited tax, or bonds backed by such a source) to obtain remaining funds, what information is available to demonstrate the financial capability of the non-Federal sponsor and that the projected revenues or proceeds are reasonably certain and are sufficient to cover the sponsor's stream of costs through time?

(g) If the non-Federal sponsor is relying on third party contributions, is data available from the third party to insure financial capability and its legal commitment to the sponsor?

(h) Does the decision document contain a complete list of relevant Items of Local Cooperation?

18. Project Authorization. If the document is pre-authorization, have all elements necessary for congressional authorization been included in the report? If the decision document is post-authorization, is it in keeping with the project authorization? If not, is further authorization to be requested of Congress?

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19. Technical and Legal Review.

(a) Has documentation of significant issues and possible impact; and their resolution been provided?

(b) Has certification of technical / legal review been provided?

20. Budget and Appropriation Decision. Is the document consistent with previous Washington-level decisions on the budget and on Congressional adds; including decisions on project or study scope, non-Federal participation, and cost-sharing?